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ADHERENCE TO AND COMPLIANCE WITH ARMS CONTROL AGREEMENTS

This Report is being submitted pursuant to the Congressional requirement in Section 51 of the Arms Control and Disarmament Act, which requires, as part of the ACDA Annual Report, a discussion on Adherence to and Compliance With Arms Control Agreements. Section 51, paragraph (1)(C) mandates the inclusion of a section setting out U.S. planned next steps with regard to each of the compliance questions raised. Details of the information contained in this Summary Report are contained in classified annexes provided under separate cover. This Report, as well as the classified annexes, addresses compliance by nations that are parties or signatories to arms control agreements with the United States as well as U.S. compliance.

The following Introductory section sets forth the broader arms control context against which the report should be viewed. Arms control developments and areas of concern are summarized in the Report and are discussed in greater detail in its annexes.

During the period covered by this report, U.S. efforts in the arms control arena continued to be focused on: (1) encouraging Russia to reduce, as we are doing, both conventional and nuclear armaments; (2) encouraging Belarus, Ukraine, and Kazakhstan to accelerate the removal of nuclear weapons from their territory; (3) multilateralizing what were bilateral U.S.-Soviet arms control agreements -- principally the INF, ABM, and START I Treaties; and, (4) bringing the New Independent States (NIS) into already existing multinational and international agreements such as the NPT and the BWC. The year 1995 saw considerable progress on these efforts and was marked by such milestones as the completion of START Baseline Inspections and the initiation of the short-notice inspection regime for START, achieving an indefinite extension of the Treaty on the Non-Proliferation of Nuclear Weapons, reaffirmation by Russia and the U.S. at the May Summit of their commitments to: pursue further measures to improve confidence in and increase the transparency and irreversibility of the process of nuclear arms reduction; and the U.S.-Russian Joint Statement wherein both sides reaffirmed their commitment to the ABM Treaty in the context of the establishment and deployment of effective theater missile defenses.

Significant actions in the last several years indicate a Russian commitment to reduce nuclear and conventional forces, and include: ratification and implementation of START I; the signing of the START II Treaty; overall defense budget cuts; progress in dismantling tactical and strategic nuclear weapons; detargeting of strategic ballistic missiles; and support for early deactivation of weapons to be reduced under START II. Weapons' production in Russia over the last five years has fallen by at least 50 percent for virtually every major weapon system. Russia and the other New Independent States (NIS) have reduced over 18,300 tanks, armored combat vehicles (ACVs), artillery pieces, combat aircraft, and attack helicopters within the CFE zone of application; and Russia has reduced almost 7,000 tanks, ACVs, and artillery pieces East of the Urals.

With continued cooperation between the United States and Russia, our emphasis in the arms control arena has already begun to shift from a focus on strategic arms control agreements to more global arms control issues, including non proliferation of weapons of mass destruction. Russia is central to any credible global non proliferation strategy. As a state possessing extraordinarily large capabilities and means of delivery in all areas of nuclear and chemical weapons and biological and toxin agents, its cooperation is essential. Examples of areas of recent U.S.-Russian cooperation include:

- We agreed with Russia on the importance of indefinite extension of the NPT without conditions, and cooperated bilaterally and in the appropriate multilateral fora to achieve this goal.
- We continue to work closely with the Russians to negotiate a global ban on the production of fissile material for nuclear weapons or other nuclear explosive devices.

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- We are pursuing with Moscow a wide array of agreements that will reduce Russia's enormous stockpile of weapons-grade nuclear material, including a shutdown agreement for its plutonium production reactors. We are also working together to improve the implementation of MPC&A measures at the state and facility level to combat nuclear smuggling, and are urging Russia to reverse its decision to cooperate in the nuclear field with Iran.
- In CFE, we are working with the Treaty's 29 other States Parties to ensure that those which failed to complete their required reductions by the end of the Treaty's reduction period (November 16, 1995) complete their obligations. Similarly, we are working to ensure that the States Parties that exceeded any Treaty limit when the limits came into effect in November 1995 also correct these problems. In particular, in this regard, we are working with all States Parties to resolve Russian and Ukrainian concerns about the Treaty's flank region equipment limits, with a view to ensuring the Treaty's integrity for the long term.
- We are pursuing a multi-tracked approach with Moscow to achieve progress in eliminating chemical weapons (CW) by cooperating on Russian CW destruction, engaging in senior-level discussions on outstanding Wyoming MOU issues, and pressing for the earliest possible CWC ratifications and entry into force.

The United States has been actively participating in preparatory work to set up the Organization for the Prohibition of Chemical Weapons (OPCW), which will formally come into being with entry into force of the CWC. Our programs for destruction of the U.S. chemical weapon's stockpile are progressing.

Following a Special Conference on biological weapons, conducted in September 1994, the United States continues to be actively engaged in a multilateral effort to negotiate a legally binding protocol to strengthen the Biological and Toxin Weapons Convention (BWC). At the same time, we have been cooperating with the UK and Russia under a 1992 Joint Statement on Biological Weapons to address our continuing concerns about Russian compliance with the BWC. The United States also has serious concerns about the compliance of a number of other countries with the BWC; these concerns are described in an Annex of this Report.

With regard to the NPT, the 1995 NPT Review and Extension Conference agreed to extend the NPT indefinitely and without conditions. The United States is continuing to work in support of efforts to further strengthen the NPT, including efforts to promote full compliance with all the Treaty's provisions. Of note, the Agreed Framework with North Korea upholds the integrity of the international nonproliferation regime and, if fully implemented, will lead ultimately to complete cessation of North Korea's nuclear weapons-related program.

A. SCOPE OF THE REPORT

UNITED STATES COMPLIANCE

As stated above, this Report addresses United States compliance and compliance by other countries that are parties to agreements with the United States. With respect to the United States, this Report addresses questions of U.S. compliance raised by other countries since the May 1995 Report.

BILATERAL AGREEMENTS WITH THE FORMER SOVIET UNION

With regard to bilateral agreements with the former Soviet Union, this Report reflects activities through November 30, 1995. Issues addressed are related to implementation of, or compliance with, the START Treaty, the INF Treaty, the 1989 Wyoming MOU, and the Bilateral Destruction Agreement.

MULTILATERAL ARMS CONTROL AGREEMENTS

Questions of compliance with multilateral arms control agreements also are addressed in this Report. This year, the United States again examined compliance concerns associated with the Biological and Toxin Weapons Convention, the Conventional Forces in Europe Treaty, the Vienna Document 1994, and

the Treaty on the Non-Proliferation of Nuclear Weapons. This Summary Report also contains information related to other nations' actions taken to comply with agreements.

B. UNITED STATES ADHERENCE TO AGREEMENTS

1. POLICY

Effective arms control requires parties to comply fully with arms control obligations and commitments they have undertaken. Compliance with agreements freely negotiated by parties is a fundamental cornerstone of international law. The United States approach to compliance is deeply rooted in its own legal system and fundamental principles and values. To that end, the United States is committed to adhering to the same high standard of compliance that it requires of others.

2. UNITED STATES ORGANIZATION AND PROGRAMS TO ENSURE COMPLIANCE

There are four major institutional and legal procedures for ensuring that U.S. plans and programs remain consistent with international obligations. These procedures include internal Department of Defense (DoD) controls, Department of Energy (DOE) procedures and controls, separate evaluations produced by the Arms Control and Disarmament Agency (ACDA), and Congressional oversight.

In 1972, by direction of the President, the DoD established a process to ensure that all DoD programs comply with U.S. international obligations. Under this compliance process (established with the SALT I agreements in 1972), key offices in DoD are responsible for overseeing compliance with all United States arms control commitments. DoD components ensure that the implementing program offices adhere to DoD compliance directives and seek guidance from the offices charged with oversight responsibility.

Specific responsibilities are assigned by DoD Directive 2060.1, July 31, 1992, "Implementation of, and Compliance With, Arms Control Agreements." The Under Secretary of Defense (Acquisition and Technology), (USD(A&T)), is responsible for ensuring that all DoD programs are in compliance with United States arms control obligations. The Service Secretaries, the Chairman of the Joint Chiefs of Staff, and agency directors respectively are responsible for ensuring the internal compliance of their respective organizations. The DoD General Counsel provides advice and assistance with respect to the implementation of the compliance process and interpretation of arms control agreements.

DoD Directive 2060.1 establishes general instructions, guidelines, and procedures for ensuring the continued compliance of all DoD programs with existing arms control agreements. Under these procedures, questions of interpretation of specific agreements are to be referred to the USD(A&T) for resolution on a case-by-case basis. No project or program which reasonably raises a compliance issue can enter into the testing, prototype construction, or deployment phase without prior clearance from the USD(A&T). If such a compliance issue is in doubt, USD(A&T) approval shall be sought. In consultation with the Office of DoD General Counsel, Office of the Undersecretary of Defense for Policy, and the Joint Staff, USD(A&T) applies the provisions of agreements, as appropriate. DoD components certify internal compliance periodically and establish internal procedures and offices to monitor and ensure internal compliance. This process is facilitated by a DoD Compliance Review Group, chaired by USD(A&T) with representatives from DoD General Counsel, the Under Secretary of Defense for Policy, and the Joint Staff, which reviews U.S. programs with respect to compliance issues, prepares related reports, and responds to compliance matters as they arise.

Moreover, an interagency review is conducted when questions arise through diplomatic channels regarding implementation of U.S. arms control obligations.

3. TREATY COMPLIANCE

Because of the broad scope of current arms control verification regimes and their extensive notification and data exchange requirements, the United States has committed some errors, described in the Annexes, but has acknowledged them to its treaty partners and taken steps to correct them. The United States

continues to make every effort to comply scrupulously with all obligations associated with each arms control agreement to which it is a party.

a. INF Treaty

The United States has complied with all Treaty provisions associated with elimination of Treaty limited items (TLI), having eliminated all declared TLI by June 1, 1991. Further, the U.S. is complying with Treaty provisions allowing inspections of U.S. declared facilities. Inspections include the presence of the former Soviet Union at the continuous monitoring inspection site at Magna, Utah, and the conduct of short-notice on-site inspections by successors to the former Soviet Union at declared INF facilities in the U.S. and U.S. basing countries--Belgium, Germany, Italy, Netherlands and the United Kingdom.

b. ABM Treaty

The United States has maintained strict compliance with the 1972 ABM Treaty.

c. TTBT, PNET, and LTBT

The United States conducted no nuclear weapon tests nor any nuclear explosions for peaceful purposes during 1995. The United States is fully compliant with all aspects of the TTBT, PNET, and LTBT agreements.

d. 1925 Geneva Protocol

The United States has not taken any actions inconsistent with the obligations set forth in the Geneva Protocol.

e. The CFE Treaty and the Vienna Documents 1992 and 1994

The United States is fully complying with all aspects of the CFE Treaty and the Vienna Documents 1992 and 1994.

f. The Nuclear Non-Proliferation Treaty

All U.S. activities are consistent with its NPT Treaty obligations.

g. The START Treaty

The START Treaty entered into force on December 5, 1994. As part of its verification regime, START required the conduct of baseline data inspections at each declared facility to confirm the accuracy of data with regard to the numbers and types of treaty accountable items specified for that facility in the initial exchange of data. During the course of the 35 baseline inspections conducted at U.S.-declared START facilities, the other START Parties raised a number of concerns. Questions regarding other U.S. treaty-related activities were also raised. The U.S. is pursuing resolution of these matters with its treaty partners.

h. Biological and Toxin Weapons Conventions

The United States remains fully compliant with its BWC obligations.

i. Chemical Weapons Agreements

The United States has fully complied with its obligations to declare its chemical weapons and related facilities as required under the Wyoming MOU (Memorandum of Understanding). The United States has taken no action which would defeat the object or purpose of the Chemical Weapons Convention (CWC) or Bilateral Destruction Agreement (BDA), which have yet to enter into force.

4. SUBSTANTIVE QUESTIONS OF U.S. NONCOMPLIANCE

a. The Biological and Toxin Weapons Convention

During 1995, Russian officials reiterated their concerns regarding U.S. compliance with the BWC, which entered into force in March 1975. U.S. officials have made clear that the United States terminated all offensive BW programs by Presidential order in November 1969, and destroyed its BW munitions and agents as required under the BWC. The United States remains fully compliant with its BWC obligations.

b. Chemical Weapons Agreements

The United States and Russia exchanged data on CW-related activities and conducted inspections under Phase II of the Wyoming MOU. Although it has become apparent that the U.S. and Russia have differing approaches to some chemical weapons (CW) issues, we continue to work to resolve these differences as part of our broader cooperation on the elimination of CW. We are pursuing a multi-tracked approach with the Russians.

c. The START Treaty

The Strategic Arms Reduction Treaty (START) entered into force on December 5, 1994. As required, the Parties exchanged updated START MOU data in early January 1995. The Parties agreed to delay the initiation of baseline data inspections from January 19 (45 days after entry into force of the Treaty) until March 1 in response to a Russian request for a delay until April 15, 1995. (The Russians cited concern about severe winter weather conditions and the need to finalize arrangements for implementation of the Treaty as reasons for the requested delay.)

The START Treaty required the conduct of baseline data inspections at each declared START facility to confirm MOU data with regard to the declared numbers and types of treaty accountable items specified for that facility in the January exchange of data. These baseline data inspections were completed on June 28, 1995. Although Belarus, Kazakhstan, the Russian Federation and Ukraine have the right to conduct inspections in the United States, only the Russian Federation and Ukraine (on just one occasion) have exercised this right. As might be expected under a verification regime with the breadth and intrusiveness of that of START, during the course of the 35 baseline inspections conducted at U.S.- declared START facilities, a number of issues arose. In many cases, the issues raised by the other side reflect disagreement with certain detailed inspection procedures the U.S. developed to fulfill its treaty obligations.

With respect to the inspection of a covered object at Vandenberg Test Range --where U.S. escorts should have permitted Russian inspectors to directly measure the external dimensions of this object after the Russians declared they were unable to identify it--the U.S. concluded that its implementation activities contravened the express terms of the START Treaty. With regard to other items of concern, the United States believes its implementation of its obligations is consistent with the Treaty. Many issues have been satisfactorily resolved. The United States continues to address those issues that are unresolved with its Treaty partners within the framework of the JCIC.

C. COMPLIANCE BY SUCCESSORS TO TREATIES AND AGREEMENTS CONCLUDED BILATERALLY WITH THE SOVIET UNION

1. THE INTERMEDIATE-RANGE NUCLEAR FORCES (INF) TREATY

a. Treaty Status

The Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter-Range Missiles (INF Treaty) was signed by President Reagan and Soviet General Secretary Gorbachev on December 8, 1987, and entered into force on June 1, 1988. The INF Treaty is of unlimited duration, and required the complete elimination of all

U.S. and former Soviet INF missiles, that is, those missiles with ranges between 500 and 5,500 kilometers, and their associated equipment and facilities, not later than three years after the Treaty entered into force.

The principal goal of the INF Treaty--the complete elimination of declared U.S. and Soviet intermediate- and shorter-range missiles--was achieved on May 28, 1991, with the destruction of the last declared SS-20 missile launcher and transporter vehicle at Sarny in the Soviet Union. That event marked the final elimination of all declared Treaty-limited items under the provisions of the INF Treaty; however, the ban on the possession, production, or flight-testing of INF missile systems remains in force, and must be effectively verified for the duration of the Treaty. To accomplish that task, the Treaty establishes a verification regime which uses methods which are mutually reinforcing--national technical means (NTM) and an inspection regime consisting of on-site inspections and continuous portal monitoring--to detect and deter violations of Treaty obligations. The inspection regime began in 1988 and, by the terms of the Treaty, continues until May 31, 2001.

The Parties have the right to conduct an annual quota of short-notice inspections at former INF missile facilities, and to perform continuous monitoring at the portals of any facility at which the final assembly of ballistic missiles uses any stage "outwardly similar" to a stage of banned INF missiles. If a Party has no such facility, the Parties have the right to continuously monitor the portals of an agreed former missile production facility. Currently, the United States monitors the portal at the missile final assembly plant at Votkinsk, Russia, while Russian inspectors monitor the missile production facility at Magna, Utah. By the terms of the Treaty, each side currently can conduct up to 15 short-notice inspections annually, but on June 1, 1996, the annual quota is reduced to 10 inspections for the remaining five years of the inspection regime.

With the dissolution of the Soviet Union, the United States recognizes twelve former Soviet republics as successor states to the INF Treaty. Six of those states--Belarus, Kazakhstan, Russia, Ukraine, Turkmenistan, and Uzbekistan--have inspectable facilities covered by the INF Treaty located on their territories. The first four of the six are active participants in implementation of the Treaty through the Special Verification Commission (SVC), which is the implementing body for the INF Treaty. The last two states--Turkmenistan and Uzbekistan--have only one inspectable facility each on their respective territories. With their consent, and that of all the active Parties, they do not participate in inspections or attend meetings of the SVC. The United States informed the other Parties that it would no longer conduct INF inspections at the former Soviet facilities in the Baltic states (Estonia, Latvia, and Lithuania).

For purposes of START Treaty implementation the Lisbon Protocol to the START I Treaty designates those states considered to be successor states to the former Soviet Union (FSU). As the INF Treaty was already in force at the time of the breakup of the Soviet Union, no Lisbon Protocol-like document was negotiated for the purpose of INF Treaty succession. In addition, the October 1992 Bishkek Resolution, adopted by the heads of state of the Commonwealth of Independent States (CIS), but to which the United States was not a Party, declared that its signatories were FSU successor states regarding fulfillment of INF Treaty provisions.

b. Compliance Issues at Votkinsk

Over the past year, the United States and Russia have been engaged in an intensive diplomatic effort to resolve the issues that resulted in two INF Treaty compliance findings in the May 30, 1995, report on Adherence to and Compliance with Arms Control Agreements, to preclude a repetition of such compliance issues in the future. As indicated in that report, the exits of two separate cargoes from the Votkinsk Machine Building Plant in Russia caused U.S. inspectors at the portal of the Votkinsk plant to declare ambiguities. First, on December 25, 1993, Russian officials exited a training model of the SS-X-27 (the Russian-declared RS-12M Variant 2) ICBM, but refused to allow U.S. inspectors to use the full-range of existing INF inspection procedures for the missile. Second, on July 18, 1994, a rail car exited Votkinsk which contained an empty, canister-like cylinder, whose length was inconsistent with the May 12, 1988, Agreed Minute and the December 8, 1988, Votkinsk Agreed Statement to the INF Treaty. Based upon all the available evidence, the United States concluded that the exits of the SS-X-27

ICBM training missile and the empty canister failed to comply with several INF Treaty provisions. The Russian Ministry of Foreign Affairs expressed regret over the incident, and indicated that the exit {of the empty canister} was the result of a misunderstanding at the plant. Russia pledged that it would take steps to ensure that such a situation would not occur in the future. There have been no further incidents of this kind. Discussions are ongoing with respect to inspection procedures for the SS-X-27 ICBM.

2. STRATEGIC ARMS REDUCTION TREATY (START) IMPLEMENTATION

The Treaty between the United States of America and the Union of Soviet Socialist Republics on the Reduction and Limitation of Strategic Offensive Arms (START) was signed on July 31, 1991. The December 1991 breakup of the Soviet Union resulted in the emergence of twelve independent states, four of which have strategic offensive arms (SOA) located on their territory--Belarus, Kazakstan, the Russian Federation, and Ukraine.

On May 23, 1992, the United States and Belarus, Kazakstan, Russia, and Ukraine signed the Lisbon Protocol in which the four successor states agreed to assume the rights and obligations of the former Soviet Union under START. Under the Lisbon Protocol and the associated letters of agreement, Belarus, Kazakstan, and Ukraine agreed to eliminate all SOA on their territories during the seven-year START reduction period and to accede to the Nuclear Non Proliferation Treaty (NPT) as non-nuclear-weapon states in the shortest possible time. The five Parties ratified START, and it entered into force on December 5, 1994.

On January 5, 1995, the Parties exchanged updated START Memorandum of Understanding (MOU) data (effective as of Treaty EIF), within the prescribed deadline. On March 1, Parties began to confirm the MOU declarations through the conduct of baseline inspections, which lasted for 120 days, until June 28, 1995.

Belarus, Kazakstan, the Russian Federation, and Ukraine are complying with the START SOA reduction obligations. START requires that each side reduce SOA to a level that does not exceed 2100 deployed launchers, 9150 deployed warheads, and 8050 deployed ballistic missile warheads no later than three years following EIF. By the end of the first Treaty year, the successor states had reduced their aggregate forces to 1791 deployed launchers, 8625 deployed warheads, and 7701 deployed ballistic missile warheads, and had eliminated 82 heavy ICBM launchers. The United States is confident that these reductions were accomplished in an irreversible manner.

A number of issues related to compliance with START provisions arose during the first year of Treaty implementation. This is to be expected under a Treaty as comprehensive and detailed as START, which governs all facets of two widely disparate strategic nuclear force structures.

The most serious U.S. concern about the viability and effectiveness of the Treaty was resolved on September 28, 1995 when the Parties formally acknowledged that space launch vehicles (SLVs) incorporating the first stage of an ICBM or SLBM remain accountable under the Treaty as ICBMs or SLBMs of the same type. Removal of such SLVs from START Treaty accountability would have seriously weakened the U.S. ability to verify the number and locations of all strategic missiles with a weapons-delivery capability.

The Parties continue to work through the Joint Compliance and Inspection Commission (JCIC), the Treaty's implementing body, to ensure smooth implementation of the Treaty and effective resolution of the remaining compliance issues and questions.

D. THE WYOMING MOU AND THE BILATERAL DESTRUCTION AGREEMENT (BDA)

The Wyoming MOU was intended to build confidence between the United States and Russia in the chemical weapons area and thus facilitate completion of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction (CWC). This was done by exchanging detailed data about their respective chemical weapons programs and by testing inspection procedures.

The documents to implement Phase II of the Wyoming MOU are contained in the *Understanding Between the Government of the United States of America and the Government of the Russian Federation on Measures for the Preparation and Implementation of the Second Phase of the Wyoming Memorandum of Understanding Dated September 23, 1989*, including its Annexes, signed in Moscow January 14, 1994 (the Understanding). The BDA was signed in June 1990 and requires each Party to undertake not to produce chemical weapons and to reduce its chemical weapons stockpiles to 5,000 agent tons. However, the BDA has not yet entered into force.

The *Protocol of Updated Provisions Relating to the Agreement Between the United States of America and the Union of Soviet Socialist Republics on Destruction and Non-Production of Chemical Weapons and on Measures to Facilitate the Multilateral Convention on Banning Chemical Weapons*, agreed ad referendum in Geneva March 26, 1993, is central to the implementation of the BDA. However, final agreement on this document has not yet been achieved.

The Russian Federation met its obligation to participate in the Phase II implementation activities of the Understanding. However, questions remain on certain aspects of the Russian data declaration and inspections. The two countries continue to engage in consultations at both the expert and senior political levels aimed at resolving these bilateral CW issues.

E. OTHER NATIONS' (INCLUDING SUCCESSORS TO THE SOVIET UNION) COMPLIANCE WITH MULTILATERAL AGREEMENTS

1. THE 1972 BIOLOGICAL AND TOXIN WEAPONS CONVENTION

The 1972 Biological and Toxin Weapons Convention (BWC) prohibits development of biological warfare (BW) capabilities beyond those justifiable for prophylactic, protective, or other peaceful purposes. Currently there are 135 States Parties to the Convention. As discussed in Annex III, while the United States has concerns regarding some countries' compliance, this Report only addresses those for which the evidence is most persuasive.

The issue addressed in this Report is whether the nations reviewed are complying with the obligations assumed under the 1972 BWC and are providing accurate data under agreed BWC Confidence Building Measures (CBM).

a. Russia

Previous assessments of Russian compliance have highlighted the dichotomy between what appears to be the commitment from President Yeltsin and other members of the Russian leadership in attempting to resolve BWC issues and the continued involvement of 'old hands' in trilateral BW discussions and in what Russia describes as a defensive BW program.

With regard to former Soviet biological weapons related facilities, some research and production facilities are being deactivated and many have taken severe personnel and funding cuts. However, some facilities, in addition to being engaged in legitimate activity, may be maintaining the capability to produce biological warfare agents. The Russian Federation's 1993, 1994, and 1995 BWC data declarations contained no new information and its 1992 declaration was incomplete and misleading in certain areas. With regard to the trilateral process that began in 1992, while there has been progress towards achieving the openness intended in the Joint Statement, the progress has not resolved all U.S. concerns.

Next Steps: The United States remains actively engaged in efforts to work with the Russian leadership to ensure complete termination of the illegal program and to pursue a number of measures to build confidence in Russian compliance with the BWC.

b. Iraq

As a signatory to the BWC in 1972, Iraq was obligated not to take any actions which would have defeated the object and purpose of the BWC prior to its ratification. Iraq acceded to the BWC in April 1991, further obligating it to destroy or divert to peaceful purposes all agents, toxins, and delivery means in its possession or under its jurisdiction or control.

The Iraqi Government established a research and development program to acquire biological weapons in 1974 at the al Hazen Institute on the Salman Pak peninsula. Iraq claims that the work was poorly directed and the institute had achieved little by its closing in 1978. Iraq alleges that the years 1978-1985 were devoid of any biological weapons-related activities. In 1985 a prominent Iraqi microbiologist recommended reestablishing the biological weapons program. Research on anthrax and botulinum toxin was initiated at Iraq's main CW facility at al Muthanna and continued until 1987 when the program was transferred to the Salman Pak facility. Work at Salman Pak flourished. Inhalation studies were conducted and scale-up production of the anthrax simulant *Bacillus subtilis* and eventually anthrax itself was accomplished.

In 1987 Iraq decided to commence full-scale production of BW agents. A building at the al Taji complex was taken over and began botulinum toxin production in early 1988.

In March 1988, al Hakam was selected as a new site for biological weapons production. The site design was modeled after al Muthanna with well separated research and production areas. The plan envisioned research, development, production, and storage of BW agents, but no munitions filling. In-country equipment was relocated here and production of botulinum toxin and anthrax commenced in spring 1989.

In addition to anthrax and botulinum toxin, Iraq investigated a number of diverse BW agents. *Clostridium perfringens* was researched at Salman Pak and later produced at al Hakam. Aflatoxin was studied at Salman Pak, produced at a facility in Fudaliyah, and weaponized into R400 bombs and al Hussein warheads. Wheat cover smut was produced as an economic weapon at Salman Pak and Mosul. Ten liters (285g) of ricin were produced and unsuccessfully field-tested in artillery shells. Viral research on acute hemorrhagic conjunctivitis, rotavirus, and camel pox was conducted for a short time at the Daura facility. Genetic engineering to create antibiotic resistant agents was planned but never realized.

Iraq claims the first field trials of biological weapons were carried out in March 1988 using aerial bombs filled with anthrax simulant and botulinum toxin. In late 1989, static and dynamic trials were carried out using anthrax simulant, botulinum toxin, and aflatoxin in 122mm rockets. Trials followed using R400 bombs with the above agents.

After Iraq's invasion of Kuwait, a "crash" program was begun to produce and weaponize BW agents. Filling of munitions was carried out at the al Muthanna facility. R400 bombs were selected for aerial delivery, and 100 were filled with botulinum toxin, 50 with anthrax, and 16 with aflatoxin. Twenty-five Al Hussein warheads were filled with anthrax, botulinum toxin, and aflatoxin; the distribution is unknown. These munitions were deployed at four locations.

Iraq initiated two parallel programs in late 1990 to utilize modified drop tanks as biological agent spray tanks. The tanks would be fitted either to a piloted fighter or to a remotely piloted aircraft and would be able to spray up to 2,000 liters of anthrax over a target. Field trials for both were conducted in January 1991. Iraq claims the test were a failure, although three additional drop tanks were modified and stored, ready for use.

Iraq claims that all BW agents and filled munitions were ordered to be destroyed in May/June 1991.

On July 1, 1995, Iraq first acknowledged having had an offensive BW program, but still denied the weaponization of agents. Until the 17 August 1995 defection of General Hussein Kamel Hassan to Jordan, Iraq claimed that it had met its obligations under the BWC. Iraq then presented dramatically new information on its past biological warfare program, including details concerning weaponization, and additional agents and sites.

Finding: The United States believes that after signing the BWC in 1972, Iraq developed, produced, and stockpiled biological warfare agents and weapons. Though the recent Iraqi disclosures have been substantial, we believe that Iraq has not yet presented all details of its offensive biological warfare program. It is possible that Iraq retains stockpiles of BW agents and munitions. The United States believes that Iraq is capable of producing biological warfare agents and is probably intent on continuing its offensive BW efforts if the threat of UNSCOM inspections and long-term monitoring are removed.

c. China

The United States believes that China had an offensive BW program prior to 1984 when it became a Party to the BWC.

Finding: The United States believes that based on available evidence, China maintained an offensive BW program throughout most of the 1980s. The offensive BW program included the development, production, stockpiling or other acquisition or maintenance of biological warfare agents. China's CBM-mandated declarations have not resolved U.S. concerns about this program and there are strong indications that China probably maintains its offensive program. The United States, therefore, believes that in the years after its accession to the BWC, China was not in compliance with its BWC obligations and that it is highly probable that it remains noncompliant with these obligations.

d. Syria

Syria has signed but has not ratified the BWC.

Finding: The United States reaffirms its previous judgment that, based upon the evidence available to date, it is highly probable that Syria is developing an offensive biological warfare capability.

c. Iran

The Iranian BW program has been embedded within Iran's extensive biotechnology and pharmaceutical industries so as to obscure its activities. The Iranian military has used medical, education and scientific research organizations for many aspects of BW agent procurement, research, and production. Iran has also failed to submit the data declarations called for in the CBM's.

Finding: The United States reiterates its previous finding that Iran probably has produced biological warfare agents and apparently has weaponized a small quantity of those agents.

f. Egypt

Egypt has signed but has not ratified the BWC.

Finding: The United States believes that Egypt had developed biological warfare agents by 1972. There is no evidence to indicate that Egypt had eliminated this capability and it remains likely that the Egyptian capability to conduct biological warfare continues to exist.

g. Libya

Evidence suggests the Libyan government is seeking to acquire the capability to develop and produce BW agents. Such development or production would violate key provisions of the BWC. Libya has also failed to submit the data declarations stipulated in the CBMs.

Finding: Evidence indicates that Libya has the expertise to produce small quantities of biological equipment for its BW program and that the Libyan Government is seeking to move its research program into a program of weaponized BW agents.

h. Taiwan

The United States believes that Taiwan has been upgrading its biotechnology capabilities by purchasing sophisticated biotechnology equipment from the United States, Switzerland and other countries.

Finding: The evidence indicating a BW program is not sufficient to determine if Taiwan is engaged in activities prohibited by the BWC.

2. THE TREATY ON CONVENTIONAL ARMED FORCES IN EUROPE (CFE)

During 1995 most provisions of the CFE Treaty have been implemented with continuing success. The reduction period prescribed by the Treaty came to an end on November 16, 1995. In all, the thirty CFE States Parties completed the destruction or conversion to other uses of over 50,000 items of Treaty limited equipment (TLE) (more than 18,300 by the newly independent states), which required substantial resources. The Parties also conducted and hosted over 2,300 intrusive on-site inspections of military units and installations, and of specified areas.

There were a number of continuing and new problems, however. In addition to some issues continuing from previous years, other, more serious, implementation issues came to the forefront when the reduction period ended and treaty limits took effect in November, 1995. Four newly independent states (NIS) failed to complete their required reductions by the end of the reduction period -- Azerbaijan and Belarus by the largest amounts, Armenia by a smaller amount, and Ukraine because of the continuing dispute with Russia over the division of assets of the Soviet Black Sea Fleet. In addition, the eight NIS fell almost 2,800 items of equipment short of their collective obligation to reduce at least as many pieces of TLE as the USSR would have had to reduce on the basis of corrected Soviet data as of Treaty signature.

There were violations of one or more of their national TLE limits by several states. Belarus exceeded its overall TLE limits by 945 pieces of equipment because of its failure to complete its declared reduction liabilities, though in November, 1995, it committed to completing those reductions by the May, 1996 CFE Review Conference. Azerbaijan was over by 738 because it had neither declared a reduction liability nor commenced any reductions before the end of the reduction period. Armenia was over its declared limits by 33 in one TLE category. Russia exceeded its declared maximum levels of holdings in aggregate TLE in one category, and on TLE in active units in this and two other categories by amounts that ranged between 230 to 299, in large part because of the unresolved Black Sea Fleet dispute. Russia also exceeded its limits in a sub-category of ACVs by 871. Also, because of the dispute over the Soviet Black Sea Fleet, Ukraine technically has an excess of over 700 for both all TLE and for TLE in active forces, as well being over its limits on land based naval aviation aircraft by 84. All of the excess Ukrainian TLE were less than the amount involved in the dispute over the division of Black Sea Fleet assets.

Russia was in violation of flank limits in several categories of TLE. On November 16, 1995, by its own data, Russia had exceeded flank limits on TLE in active units by over 4,800 pieces of TLE. Settlement of the dispute with Ukraine over Naval Infantry/Coastal Defense (NI/CD) equipment could reduce these numbers by whatever part of the 227 tanks, 666 Armored Combat Vehicles (ACVs), and 117 artillery pieces currently under combined command are eventually transferred fully to Ukraine.

Since early in 1993, Russia (and Ukraine) have been seeking relief from the limits on TLE in active units in the CFE flank region. In response to the growing recognition that there were some legitimate aspects to Russia and Ukraine's complaints by September 1995, serious negotiations were underway to craft a solution that would give Russia (and Ukraine) some relief in a way that all States Parties could accept. At that time, the United States and its NATO Allies agreed to work with Russia and Ukraine to find a solution to the Flank issue that would include a map realignment of the flank area acceptable to all States Parties. Progress in those discussions was reflected in the JCG decision among the 30 States Parties on November 17, 1995.

In that decision:

- Russia and Ukraine reconfirmed their commitment to the goals and objectives of the Treaty and

associated commitments and obligations, and to full compliance with the Treaty's provisions.

- the CFE States Parties agreed that, in light of the changed circumstances since the Treaty was signed five years ago, the problem of the flank limits should be addressed through a combination of agreed measures, including a CFE map realignment, a timeline to eliminate excess equipment, and offsetting transparency and constraining measures.
- the CFE States Parties agreed to intensify negotiations in the JCG with the aim of reaching agreement on a flank solution based on the above measures, as soon as possible.

There have continued to be some other difficulties, including questions about the completeness and accuracy of some notifications, as well as occasional instances of local authorities taking it upon themselves to deny full access accorded by the Treaty to inspectors. Five states, including Russia, have also continued to declare for export, quantities of TLE-type equipment in excess of pre-Treaty signature practices, which, in effect, lowered their declared reduction liabilities. It should be noted, however, that with the demise of the Warsaw Pact and the breakup of the USSR, there have naturally been changes in these States' exports goals and practices.

Finally, Russia fulfilled part but not all of its obligations separate from, but related to the CFE Treaty. Russia has destroyed or converted enough equipment in Treaty-limited categories (some 1500 pieces) East of the Ural Mountains to meet the CFE-related legally-binding obligation concerning naval infantry and coastal defense forces. However, Russia did not meet its separate CFE-related political commitment to destroy, convert, or render militarily unusable 14,500 pieces of equipment in Treaty limited categories (approximately 9000 pieces remain to be destroyed) East of the Ural Mountains by December 31, 1995.

3. THE VIENNA DOCUMENT 1994

In November 1994, the Organization for Security Cooperation in Europe (OSCE) states adopted the Vienna Document 1994 (VD-94), which added to and built upon the obligations in VD-92. In general terms, compliance with the Vienna Document has been good. A few states failed to submit data as of January 1, 1994. In addition, there have been other -- mostly minor -- notification, data, and inspection problems similar to those discussed under CFE. (U)

4. THE NUCLEAR NON-PROLIFERATION TREATY (NPT)

This Report updates developments relevant to other nations' compliance with the 1968 Treaty on the Non-Proliferation of Nuclear Weapons (NPT), and addresses in particular developments in North Korea, Iraq, Iran, Libya and China. Additionally, 47 countries have not yet complied with their obligations under Article III of the NPT to conclude with the International Atomic Energy Agency (IAEA) and put into effect a full-scope Safeguards Agreement within 18 months after joining the NPT. None of these countries has any significant nuclear activities. The United States will continue to urge all NPT parties required to do so to complete full-scope safeguards agreements with the IAEA in a timely fashion.

a. North Korea

The DPRK's efforts over the past few years to obstruct the implementation of full-scope IAEA safeguards required by Article III of the NPT and the pattern of activity at the Nyonbyon Nuclear Research Center have fueled international concern over the DPRK's nuclear intentions. Since the May 1995, Report to Congress on Adherence to and Compliance with Arms Control Agreements, in which the United States determined that North Korea was in violation of its NPT Article III commitments, the DPRK has continued its noncompliance. The Agreed Framework, signed in October 1994, requires the DPRK to freeze its nuclear program and ultimately come into compliance with its NPT safeguards agreement. Until the Agreed Framework is fully implemented, the DPRK will not be in compliance with Article III. North Korea has frozen construction and work at its 50-MWe reactor at Nyonbyon and its 200 MWe reactor at Taechon. Since November 1994, the DPRK has allowed the IAEA a continuous presence at Nyonbyon. In 1995, the IAEA and DPRK met several times to resolve outstanding safeguards and monitoring issues. Further IAEA-DPRK policy discussions are planned for 1996.

Although conclusive statements cannot yet be made about the extent to which North Korea is concealing evidence that would indicate a violation of its NPT Article II commitments, the United States believes that the DPRK's efforts to prevent the IAEA from preserving important information about the 5 MWe reactor's fuel to determine plutonium production, combined with its previous refusal to allow special inspections at two nuclear waste sites, raises serious questions about a potential violation.

Finding: The United States has determined that North Korea has yet to meet its NPT Article III obligations. Serious questions remain regarding the DPRK's intentions and a potential violation of its obligations under Article II of the NPT; however, the signing of the Agreed Framework is significant as it requires North Korea to resolve these concerns.

Next Steps: The United States plans to pursue vigorously North Korea's fulfillment of its pledges under the Agreed Framework to come into full compliance with its NPT obligations. The United States will monitor the DPRK's implementation of the Agreed Framework and NPT closely and assess the degree to which North Korea's actions, including those required under the Framework, have addressed remaining concerns about its intentions and compliance with Articles II and III of the NPT. The United States will continue to support IAEA efforts toward this same end.

b. Iraq

Iraq's nuclear weapons program violated its NPT Article II obligation "...not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices; and not to seek or receive any assistance in the manufacture of nuclear weapons or other nuclear explosive devices." Iraq's construction of secret facilities, including its construction of a facility for nuclear weapons development and assembly, contributed to its violation of Article II. Iraq's failure to apply safeguards to its clandestine program also constituted a violation of Article III, which requires that safeguards be applied "with a view to preventing diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices."

The war and subsequent UN-mandated inspections significantly set back Iraq's program to develop a nuclear weapon. Nonetheless, Iraq almost certainly continues nuclear weapons related activities and intends to build a nuclear weapon as soon as domestic and international circumstances permit.

Finding: The United States has determined that Iraq violated its IAEA safeguards agreement, and thus Article III, when it pursued an active nuclear weapons development program. The United States has also determined that Iraq's actions violated its obligations under Article II of the NPT. The United States has further determined that Baghdad is continuing its effort to undermine the UNSCOM/IAEA inspection process by withholding relevant information, and to preserve as much nuclear-related technology as possible for a renewed nuclear weapons development effort.

Next Steps: The United States plans to continue to support UNSCOM/IAEA inspections in Iraq and the long-term monitoring of Iraq's nuclear program in accordance with UNSCR 687 and 715. The United States will insist that the sanctions imposed on Iraq at the time of the invasion of Kuwait remain in place until Iraq is in overall compliance with all its obligations to the Security Council, including its obligations regarding weapons of mass destruction.

c. Iran

Although Iran's rudimentary program has apparently met with limited success so far, we believe Iran has not abandoned its efforts to expand its nuclear capabilities with a view to supporting nuclear weapons development. Iran's highly questionable nonproliferation credentials have caused most nuclear suppliers to refrain from cooperation with Iran.

d. Libya

Libya's longstanding interest in acquiring nuclear weapons strongly suggests that its nuclear research

and procurement efforts are aimed at development of an indigenous nuclear weapons capability and, consequently, may be inconsistent with the Article II requirement not manufacture nor to seek or receive any assistance in the manufacture of nuclear weapons or other nuclear explosive devices.

Finding: The United States has determined that Libya has demonstrated a continuing interest in the acquisition of nuclear weapons but that its nuclear program has not progressed beyond the early stages of development.

e. China

In early 1992, China became a member of the NPT. Prior to China's NPT accession, the United States concluded that China had assisted Pakistan in developing nuclear explosives. Since China's accession to the NPT, it appears that China may have continued to assist Pakistan's unsafeguarded nuclear program and may have continued contacts with elements associated with Pakistan's nuclear weapons related program. In addition, China in 1995 continued providing assistance to Iran and Algeria, but this assistance appears consistent with China's obligations under the NPT.

F. ASSESSMENT OF THE MILITARY AND BROADER SECURITY RISKS ARISING FROM COMPLIANCE ISSUES

1. MILITARY SIGNIFICANCE

In determining the military significance of treaty violations and compliance concerns addressed in this Report, the following factors were considered: the observed quantity of equipment, weapon systems or Treaty Limited Items (TLI) involved; the kinds of equipment, weapon systems or TLI involved; the contribution the equipment, weapon system or TLI might make to the ability to generate military force beyond existing capabilities; the extent to which effective countermeasures are or could be made available; and the overall military situation. Except for compliance concerns regarding BW and CW weapons, the military risk associated with individual treaty violations or compliance concerns addressed in this Report ranges from minor to none. In the aggregate they do not provide any significant military advantage at the strategic or theater level. With regard to chemical and biological agents, the proliferation of these weapons in contravention of treaties circumscribing their possession or use creates a significant military risk at the theater level by creating an asymmetrical environment in which U.S. forces must conduct military operations.

2. BROADER SECURITY RISKS

Arms control verification has several purposes. Among these is deterring cheating on arms control agreements. A closely related objective is detecting violations before they become militarily significant. If the United States is unable to detect such violations, then the concern is that the United States would invite further and perhaps more disturbing action on the part of its treaty partners. Moreover, detected violations create concerns that more disturbing actions may follow and/or that the detected violation represents a "tip of the iceberg." These reasons form the basis for the U.S. judgment that no violation, regardless of military significance is acceptable. It is also for these reasons that the United States seeks to address with its treaty partners any existing compliance views which concern any failure on the part of its treaty partners to resolve expeditiously existing U.S. concerns.

Individual treaty regimes for which there are judged to be significant military or broader security risks associated are addressed below.

a. BWC Implementation

Because the military forces of the United States must be able to execute U.S. policy anywhere in the world, the continuing attempts on the part of a number of other nations to acquire an offensive biological warfare capability raise serious concerns.

From the perspective of broader security risks, proliferation of biological warfare agents is a serious

concern. In part, it demonstrates a disregard for the rule of law on the part of those nations currently bound by the BWC, (and, in a broader sense, could serve to encourage others to resist efforts to restrict and reduce all weapons of mass destruction). The nature of biological weapons and their potential for use against civilians has made their acquisition particularly reprehensible.

b. NPT Implementation

As in the case of the BWC, the United States views with concern efforts on the part of certain nations to acquire nuclear weapons capabilities, and on the part of other nations to circumvent or violate their NPT safeguards agreements. These efforts create risks for U.S. and allied military forces and also presents a broader risk to our efforts to stop the proliferation of weapons of mass destruction.

